

City Council Utility Committee

Meeting Agenda

Friday, October 27, 2017
Administration Building, Wastewater Treatment Plant 8:30-10:00 am

- Call to Order
- II. Roll Call
- III. Approval of Agenda
- IV. Approval of Minutes from August 18, 2017
- V. Public Comments on Items Not on the Agenda
- VI. Update Water Resources
 - Water Supply Update
 - Windy Gap Firming Project Update (dates provided by NCWCD)
 - i. Water Rights Decree
 - ii. Consulting Services
- VII. Update CIP Projects
- VIII. 2018 Utility Rates & Recommendation
 - Pump Station Impacts
- IX. Tap Fees
- X. EPA Fine
- XI. Legal Services
- XII. Undergrounding
- XIII. 12/18 Joint Council Meeting Agenda Discussion
- XIV. Upcoming Projects and Council Action
 - HBWTP Equipment Purchase November 6th
 - HBWTP Upgrades (Construction) November 28th
 - WTP Improvements November 28th
 - Louisville Pipeline Inspection November 28th
 - SCWTP Equipment Purchase November 28th
 - Greeley Windy Gap Transfer November/December

City Council Utility Committee

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XV. Agenda Items and Date for Next Meeting

• Draft Work Plan & Meeting Dates

XVI. Adjourn 10:00 am

Attachments: 08-18-17 Draft Minutes

CIP Summary

Louisville Pipeline Map

Utility Rates

Tap Fee memo

Undergrounding memo

Draft Work Plan



City Council **Utility Committee**

Draft - Meeting Minutes

Friday, August 18, 2017

CITY COUNCIL CHAMBERS, CITY HALL, 2nd FLOOR

- **Call to Order** Jay Keany called the meeting to order at 2:30 pm. I.
- II. Roll Call was taken and the following members were present:

City Council: Jay Keany, Robert Muckle Jeff Lipton

Absent:

Staff Present: Heather Balser, Kurt Kowar, Kevin Watson, Cory Peterson, Alan Hill, Graham Clark, Dale Brook and Katie Leone

Public: none

- III. Approval of Agenda: Agenda approved as written.
- Approval of the Minutes: The meeting minutes from July 21st were approved as IV. written.
- ٧. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:

None

VI. **Update – Water Resources**

> Mr. Peterson provided an overview of the current conditions of water supplies. As of July, Louisville storage in Marshall Lake is 91% of the 10 year average and 116% of the 5 year average.

> Mr. Peterson indicated that the Windy Gap Project is progressing. The Windy Gap sub-committee and legal counsel are still negotiating the water rights decree. This process has taken longer than anticipated and could result in the delay in construction. With the current construction market, any delays will have a high potential of increasing project costs.

VII. Water Rights Legal Services

Mr. Hill explained the ongoing issue with water lease requests. The Utility Committee reaffirmed that there is not a desire to expand the lease program nor to add additional leasee.

Mr. Peterson and Mr. Hill gave an overview of pending rezoning of Harper Lake by the Open Space division. As outlined in the memo, the primary function of Harper Lake is water storage management. Article 15 of the City Code, provides sufficient delineation that Open Space activities shall not affect or limit the function of the Lake as part of the water system.

VIII. 2018 Utility Rates

Mrs. Balser provided a summary of recent conversation with Finance Committee looking for clarification on the rate design. Specifically the drivers for future rate increases. Utility rates will be added to a future study session.

Mr. Peterson outlined the various CIPs that were identified in the recently adopted Water Master Plan and how these CIPs are reflected in the current finance plan.

IX. Upcoming Projects and Council Action

Mr. Peterson discussed upcoming projects related to the SCWTP pump station construction, HBWTP upgrades, Louisville pipeline and Louisville lateral.

Mr. Kowar requested clarification on this section and if this was suitable for advance notice on Council Communications. Utility Committee stated this section was acceptable for previously budget items but wants to see separate discussion for un-budget items as timing permits.

X. Agenda Items and Date for Next Meeting

Mr. Kowar outlined that staff will be presenting to Council on August 1st on tap fees specifically in the downtown area. Staff feels that the tap fee process is solid and does not need modifications. A Utility Committee look ahead will be added to future agendas.

XI. WWTP Ribbon Cutting

WWTP Ribbon Cutting scheduled for Friday September 15th.

XII. Adjourn

The meeting was adjourned at 3:40 pm by Mr. Keany and seconded by Mr. Muckle.

CIP SUMMARY

Project Name	Status	Budget		Est Completion
Wastewater Plant	Close-out	\$	7,572,624	November, 2017
Wastewater Plant Blower Replacement	Under Construction	\$	584,396	March, 2018
HBWTP Upgrades	Design	\$	167,300	November, 2017
HBWTP Upgrades	Construction	\$	527,000	April, 2018
Security Upgrades	Under Construction	\$	192,817	December, 2017
Instrumentation Upgrades	Under Construction	\$	134,543	December, 2017
Louisville Pipeline Inspection	Bidding	\$	250,000	December, 2017
Louisville Pipeline Control Vault	Design	\$	48,425	December, 2017
Louisville Lateral Piping	Design	\$	75,000	March, 2018
WTP painting	Under Construction	\$	197,867	December, 2017
SCWTP Tube Settler Replacement	Design	\$	44,377	December, 2017
SCWTP Tube Settler Replacement	Equipment Purchase	\$	500,000	December, 2017
SCWTP Tube Settler Replacement	Construction	\$	241,623	June, 2018
SCWTP Pump Station	Under Construction	\$	3,755,000	June, 2018
SCADA Upgrades	Design	\$	2,500,000	December, 2017
WTP Improvements	Design	\$	1,575,000	July, 2018

Project Summary

	Current	- October	Prior - August			
	Projects	Percentage	Projects	Percentage		
Development	1	1.0%	80	77%		
Bidding	54	52.9%	0	0%		
Design	2	2.0%	0	0%		
In progress	25	24.5%	10	10%		
Completed	22	21.6%	14	13%		

HOWARD BERRY WATER TREATMENT PLANT (SOUTH)

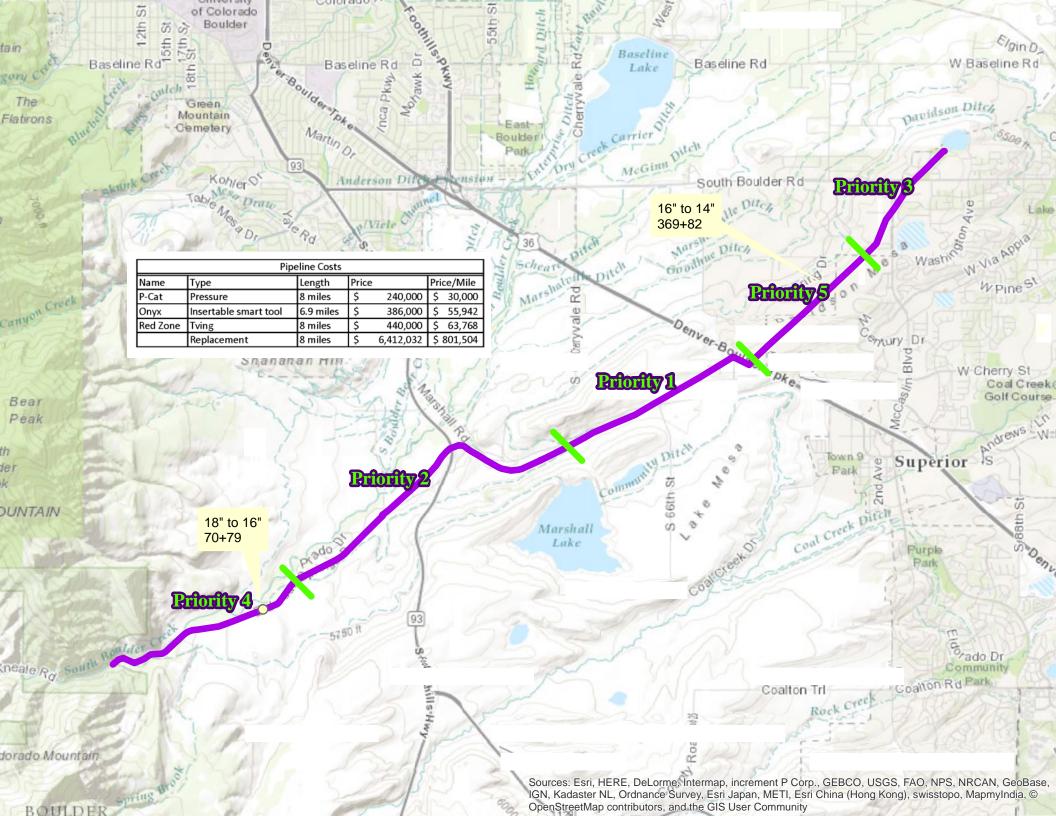
Priority

Location	Item	Ranking (1-10)	Status	Anticipated Completion Date
1 Pretreatment	Trac-vac Repair	10	Completed	N/A
2 Pretreatment	New Raw Access Shed	1	Bidding	May. '18
3 Pretreatment	Seal and Repair Concrete	3	Bidding	Apr. '18
4 Pretreatment	Cherry Street Pipeline valve (CCGC) Replacement	8	Bidding	Jan. '18
5 Pretreatment	Parking Lot Crack Seal and Patching	2	Bidding	Apr. '18
6 Pretreatment	New Raw Water Bypass Valve	7	Bidding	Jan. '18
7 Pretreatment	Lighting Improvements	1	Bidding	Mar. '18
8 Pretreatment	Meter Testing / Calibration	6	Bidding	Dec. '17
9 Pretreatment	Demo and Replace Surrounding Concrete (sidewalks)	3	Bidding	Apr. '18
10 Pretreatment	Soda Ash Feeder Removal	3	Bidding	Dec. '17
11 Pretreatment	Permanganate Feeder and Equipment Remova	3	Bidding	Dec. '17
12 Pretreatment	Chemical Feed Electrical Boxes Removal	3	Bidding	Dec. '17
13 Pretreatment	PH Meter Replacement	7	In progress	Nov. '17
14 Pretreatment	SCD Meter Replacement	7	In progress	Nov. '17
15 Pretreatment	Chemical Building Programmable Logic Controller (PLC) Removal	2	Bidding	Mar. '18
16 Pretreatment	Obsolete Exterior Fire Alarm Relocate	1	Bidding	Mar. '18
17 Pretreatment	DIOXIDE Lighting Replacement	2	Bidding	Mar. '18
18 Pretreatment	Exterior Painting	3	In progress	Nov. '17
19 Pretreatment	Demo and Replace Surrounding Concrete (sidewalks and stairs	3	Bidding	Apr. '18
20 Pretreatment	Flocculator Replacement	9	In progress	Dec. '17
21 Main Bldg.	New Utility Sink	1	Completed	N/A
22 Main Bldg.	Lighting Improvements	3	Bidding	Mar. '18
23 Main Bldg.	VFD Electrical Panel Repair	2	Bidding	Dec. '17
24 Main Bldg.	Filter Building Exhaust Fan Panel Replacement	4	Bidding	Dec. '17
25 Main Bldg.	Old Trac-vac Filter Intake Removal	2	Bidding	Dec. '17
26 Main Bldg.	MCC Concrete Pad Repair	3	Bidding	Apr. '18
27 Main Bldg.	Sanitary Sump Pump Service and Maintenance	7	Completed	N/A
28 Main Bldg.	Drywall Repairs	1	Bidding	Dec. '17
29 Main Bldg.	Interior Finishes (painting and replacement of base boards	1	In progress	Nov. '17
30 Main Bldg.	Window Tinting	1	In progress	Dec. '17
31 Gallery	Surface Wash Pump Seal Replacement	5	Completed	N/A
32 Gallery	Back Wash Pump Seals Replacement	6	In progress	Dec. '17
33 Gallery	Actuators Replacement	9	In progress	Dec. '17
34 Gallery	Filter to Waste Line Improvements	8	Completed	N/A
35 Gallery	Filter 2 Sample Pump Repair	7	Completed	N/A
36 Gallery	Air Blower Actuator Replacement	6	Bidding	Dec. '17
37 Gallery	Electrical Panel Replacement	5	Bidding	Dec. '17
38 Gallery	Clearwell Drain Improvements	3	In progress	Dec. '17
39 Gallery	Polymer Automation	4	Bidding	Mar. '18
40 Gallery	Trac-vac Flow Meter Calibration and Improvement	4	Completed	N/A
41 Gallery	Air Dyer Removal	2	Bidding	May. '18
42 Gallery	Instrument Electrical Rail Repair	5	Bidding	Dec. '17
43 Gallery	Chemical Feed (chlorine gas & caustic) Relocation	4	Completed	N/A
44 Gallery	Backwash Rate Pump control valve	6	In progress	Dec. '17
	Engineering Support Services		Design	May. '18

SID COPELAND WATER TREATMENT PLANT (NORTH)

Priority

1 Raw Louisville Reservoir Aerators Compressors and Diffusers Repair 7 Completed 2 Raw Louisville Reservoir Aerator Expansion 3 Development 3 Raw Inflow Measurement Device Replacement 6 In progress 4 Raw Raw Flow Meter Replacement 4 Bidding	N/A May. '18 Dec. '17 May. '18
3 Raw Inflow Measurement Device Replacement 6 In progress 4 Raw Raw Flow Meter Replacement 4 Bidding	Dec. '17 May. '18
4 Raw Raw Flow Meter Replacement 4 Bidding	May. '18
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5 Raw Northern Vault Improvements 4 Bidding	Dec. '17
6 Raw Algae Monitoring System 5 Bidding Cou	ouncil 11/7, Install Dec. '17
7 Pretreatment ACH Sump Pump Holding Tank 6 In progress	Dec. '17
8 Pretreatment Streaming Current Detector Electrical Panel Replacement 2 Bidding	Apr. '18
9 Pretreatment Secondary Containment Installation 6 Bidding	Jan. '18
10 Pretreatment Equipment Storage 1 In progress	Dec. '17
11 Pretreatment PLC Cabinet Replacement 3 Bidding	Apr. '18
12 Pretreatment Roof Repairs 5 In progress	Apr. '18
13 Transition to Basin Trac-vac Flow Meter Replacement 4 Bidding	Jan. '18
14 Transition to Basin Trac-vac Vault Improvements (improve access and ventilation 3 Bidding	Apr. '18
15 Transition to Basin Recycle Flow Meter Replacement 5 Bidding	Jan. '18
16 Transition to Basin Recycle Vault Improvements (improve access and ventilation 3 Bidding	Apr. '18
17 Transition to Basin SCD Vault Improvements (improve access and ventilation) 3 Bidding	Apr. '18
18 Sed Basin Raw Vault Low Flow Controls Calibration 7 Completed	N/A
19 Sed Basin Lighting Improvements 4 Completed	N/A
20 Sed Basin Rapid Mixer Propellers and Shafts Replacement 8 Completed	N/A
21 Sed Basin Demo and Replace Surrounding Concrete (sidewalks 3 Bidding	Apr. '18
22 Sed Basin Rapid Mixer Electrical Panel Replacement 5 Completed	Ν/A
23 Sed Basin Broken Conduit Repair 4 Completed	N/A
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	Apr. '18
25 Sed Basin Flocculators Electrical Panel Replacement 5 Completed	N/A
26 Sed Basin Sed Basin Level Transmitters (2) Replacement 6 Bidding	Dec. '17
27 Electrical Room Transformer Maintenance 9 Completed	N/A
28 Electrical Room Demo and Replace Surrounding Concrete (sidewalks 3 Bidding	Apr. '18
29 Electrical Room Backup Generator Evaluation 8 Completed	N/A
30 Chlorine Dioxide PVC Pipping Repair 5 Completed	N/A
31 Chlorine Dioxide Demo and Replace Surrounding Concrete (sidewalks 3 Bidding	Apr. '18
32 Chlorine Dioxide Epoxy Paint Floor 2 In progress	Nov. '17
33 Chlorine Dioxide Lighting Improvements 2 Bidding	Mar. '18
34 Chlorine Equipment storage (ladder hangers) 1 Completed	N/A
35 Chlorine Lighting Improvements 2 Bidding	Mar. '18
36 Chlorine Chemical Flow Adjustment Valve Replacement 3 Completed	N/A
37 Chemical Room Sodium Chlorite Level Sensor SCADA Tie-In 4 Bidding	Dec. '17
38 Chemical Room Secondary Containment for Chemical Tanks 6 In progress	Dec. '17
39 Chemical Room Silicate Tank Replacement 6 In progress	Dec. '17
40 Chemical Room Chlorine Detector 5 Bidding	Feb. '18
4 In progress 4 In progress	Dec. '17
42 Main Building Automate Polymer Mixing 3 Bidding	Dec. '17
43 Filter Filter Flow Meter Calibrations 3 Completed	N/A
44 Filter #2 Filter Backwash Valve Calibration 3 Bidding	Dec. '17
4 In progress	Feb. '18
46 Filter Filter To Waste Valve/Flow Meter Automation 4 Bidding	Feb. '18
4 In progress 4 In progress	Dec. '17
48 Filter Backwash Turbidity SCADA Conductivity 4 Bidding	Feb. '18
49 Backwash Building Epoxy and Seal Walls 2 Completed	N/A
50 Backwash Building VFD Electrical Panel Replacement 5 In progress	Dec. '17
51 Backwash Building Recycle Tank Level Sensor Replacement 5 Bidding	Dec. '17
52 Backwash Building Lighting Improvements 2 Bidding	Mar. '18
53 Backwash Building Vault Improvements (improve access and ventilation 3 Bidding	Apr. '18
54 3 MG Tank Level Transmitter Replacement 5 In progress	Dec. '17
55 3 MG Tank Tank Outflow Vault Replacement 3 In progress	Mar. '18
56 3 MG Tank Electrical Conduit Repair and Replacement 5 In progress	Dec. '17
57 Lower Pond Low Zone Vault Improvements (improve access and ventilation 3 Bidding	Apr. '18
58 Exterior Perimeter Fence Repair 3 In progress	Mar. '18
Engineering Support Services Design	May. '18



Utility Rates

Plan	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	5 year Cumulative Total from 2015-2019	10 year Cumulative Total from 2016-2025
2015 Approved	<u>0%</u>	11%	11%	0%	0%		N/A – 5 year							23%	N/A
2016 Approved		<u>13%</u>	13%	6%	6%	5%	5%	5%	0%	0%	0%			44%	66%
2017 Approved			<u>0%</u>	3%	3%	3%	3%	2%	4%	4%	4%	4%		20%	46%
2018 Presented				<u>2%</u>	3%	3%	3%	2%	2%	2%	0%	0%	0%	19%	34%
Current with	Current with Pump Station Overrun (Deleted - SCWTP Drying Beds Rehab and Basin Covers)														
				<u>3%</u>	4%	4%	3%	3%	3%	3%	0%	0%	0%	21%	38%
						Oı	otions for Hig	h/Mid Zone F	ump Station	Financing					
Option 1 - E	liminate	Projec	ts: Pipel	line Modifica	tions, Lateral	Ditch Piping	& SCWTP Bu	ilding Upgrad	les (aligns wi	th 2018 pres	entation)				
New Rate (Change	in Rate)	2% (-1%)	3% (-1%)	3% (-1%)	3% (-)	2% (-1%)	2% (-1%)	2% (-1%)	0% (-)	0% (-)	0% (-)	19% (-2%)	34% -(10%)
Increase in	ı Averag	e Bill		\$0.87	\$1.29	\$1.35	\$1.37	\$0.95	\$0.96	\$1.01	\$0	\$0	\$0	\$7.03	\$12.66
Option 2 – D	elay Wa	ter Rigl	nts Acqu	iisition by a Y	ear (2023-20 <mark>/</mark>	28 instead o	f 2022-2027)								
New Rate (Change	in Rate)	3% (-)	3% (-1%)	3% (-1%)	3% (-)	3% (-)	3% (-)	3% (-)	3% (+3%)	0% (-)	0% (-)	20% (-1%)	43% (-1%)
Increase in	ı Averag	e Bill		\$1.28	\$1.34	\$1.34	\$1.38	\$1.43	\$1.50	\$1.51	\$1.54	\$0	\$0	\$7.49	\$16.19
Option 3 - N	o increa	se for 2	018 noı	r Elimination	of Projects										
New Rate (Change	in Rate)	0% (-3%)	5% (+1%)	5% (+1%)	4% (+1%)	4% (+1%)	4% (+1%)	2% (-1%)	0%	0%	0%	19% (-2%)	43% (-1%)
Increase in	ı Averag	e Bill		\$0	\$2.15	\$2.22	\$1.86	\$1.96	\$2.01	\$1.05	\$0	\$0	\$0	\$7.02	\$16.12

Preferred/Flexible Projects

					ible Floject						
Project	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
SCWTP Building Upgrades			524,000								
Pipeline modification to Fill Marshall Reservoir					41,000	500,000					
Marshall Lake Sediment Control						100,000	500,000				
Lateral Ditch Piping	205,000	625,000									
McKay Reservoir Pipeline					1,000,000						
Water Rights Acquisition						524,000	500,000	500,000	500,000	500,000	500,000
Lower Recycle Pond Lining and Maintenance SCWTP		52,000	83,000								
Lower Pond Pump Station and VFD rehab					78,000						
HBWTP High Service Pump Replacement/Rehab						250,000					
SBR Ditch Lining		84,000	83,000	83,000	83,000						
Meter replacement						2,000,000					
Water Tank interior Structure Maintenance		105,000									
WQ real time system monitoring							360,000				
Equipment Purchase for Solids Handling HBWTP - SC	:WTP					25,000					
SCWTP Intake structure Evaluation						18,000					
HBWTP Recycle pump station and VFD Rehab							15,000				
System Water Loss Audit		42,000									
Watershed Protection Plan		52,500									

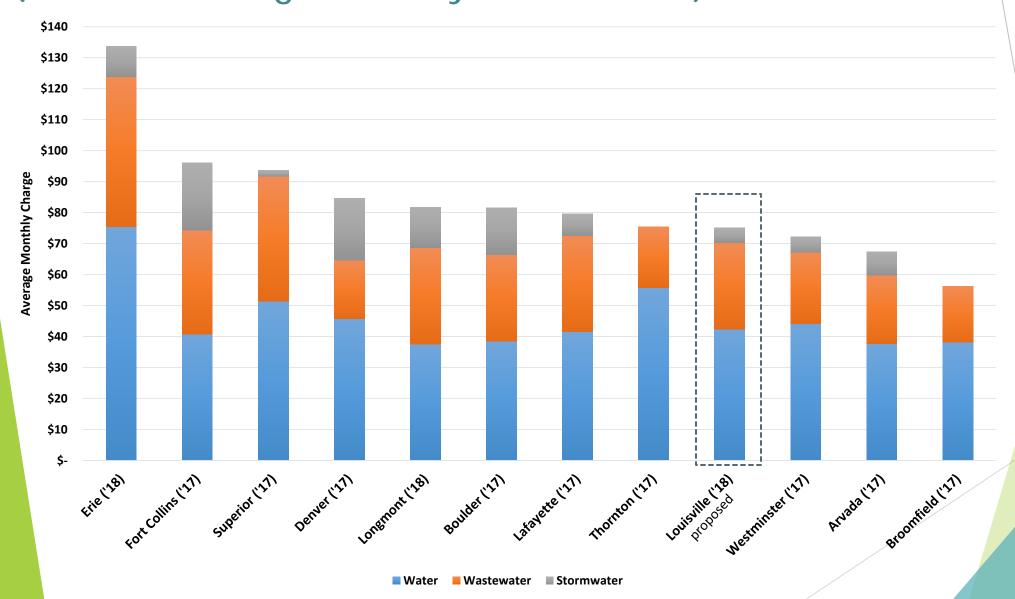
Projects Underway

Project	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Vehicle & Equipment Replacement	31,345	32,000						30,000			
Water Plants Disinfection Evaluation	102,500	472,000									
Scada Master Plan	250,000			100,000							
Instrumentation upgrades for both facilities	150,000		50,000					35,000	35,000		
Howard Diversion Completion/Upkeep		133,997									
Caustic Tank Upsize	25,000										
HBWTP HVAC Upgrades	82,000										
SCWTP Flash mixer impeller replacement	87,000										
Fire Hydrant Painting	18,000	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Lucity Asset Management Software (25%)	28,876	25,000									
Enterprise Resource Planning (25%)	12,615										
PRV Replacement	40,000										
Harper Lake Stop Logs	35,000										
HBWTP Flash Mixer Replacement with VFD's	87,000										
Filter Media Replacement HBWTP	155,000						250,000				
Facilities Painting	200,000										
Security Upgrades	100,000										
Pipeline Condition Assessment	250,000										
Centennial / McCaslin High Zone Water Loop	53,700										
Louisville Pipeline Flow Control	250,000									·	
HBWTP Upgrades	405,000										
SCWTP Upgrades	493,000	,								,	

Critical Projects

Project	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
SWSP Transmission Capacity			125,000	1,260,000							
Replace Tube Settlers	589,000	786,000									
Sid Copeland WTP Pump Station Improvements	2,240,000	1,872,484									
Water Line Replacement	230,000	245,000	255,000	260,000	277,000	270,000	275,000	280,000	285,000	290,000	290,000
Water Line Replacement - City Streets	2,270,000	598,000	67,000	58,000							
NCWCD-SWSP Eastern Pump Station		10,670	90,500								
NCWCD-Windy Gap Firming Project	\$350,624	\$905,000	\$905,000	\$905,000	\$905,000	\$905,000	\$905,000	\$905,000	\$905,000	\$905,000	\$905,000

Average Monthly Water, Wastewater & Storm Rates (Louisville Single Family Residential)





Memorandum Department of Public Works

TO: **Utility Committee**

FROM: Kurt Kowar, Director of Public Works

Cory Peterson, Water Resources Engineer

DATE: 10/27/17

SUBJECT: Tap Fee Ordinance

The purpose of this memo is to summarize the process for the general determination of tap fees based on the current municipal code, provide a comparison of surrounding community practices, and discuss available forms of City assistance to offset tap fees. City Staff is not recommending any changes to the City Code, processes, or practices.

Determination of Tap Fees

Projects that come under review in the City generally fall in to two categories. Those categories include parcels that are not served by the Utility and parcels that are served by the Utility.

Tap Fee Calculations

The City provides a published worksheet for determination of tap fees. The published worksheet is separated into the following components for calculation purposes:

- Water, Single Family Residential (per House)
- Water, Multifamily Residential (per Unit)
- Water, Non-Residential and Other Uses (by Meter Size and demand beyond minimum thresholds)
- Water, Irrigation (per Square Foot)
- Sewer (by House, Unit, or Meter Size)

Parcels Not Served by the Utility

New developments that the Utility does not serve are very clear in context, as the connection to the utility system does not exist. Therefore, the requirements of tap fees for these connections are straightforward.

Parcels Served by the Utility

Parcels with existing utility connections necessitate a more complicated review and determination. These more complex scenarios include additions, new structures, complete



demolition and rebuild of new structures, and reconfiguration of parcels. Existing buildings can be further divided into two distinct types that are defined in Section 13 of the municipal code.

Scenario A) The addition/expansion of an existing structure

Generalized as any proposed change that adds new living units or greater than five fixture counts. An extension charge is applied based upon the context of the improvements and water usage beyond minimum thresholds for various tap sizes.

Scenario B) new stand-alone structure(s)

These scenarios are essentially the same as new development and each new building of a proposed development is assessed tap fees. In this way, proposed developments are treated equally regardless of category, making the presence of an existing structure(s) irrelevant. The exception for a stand-alone structure is related to the designated use. If a new structure can be defined as an "accessory use" then the determination would move from scenario "B" to "A" and would be evaluated as an addition. "Accessory use" is a very limited designation that has many restrictions to ensure the proper application.

Accessory use means a subordinate use which is customarily incidental to the principal building or to the principal use of the lot. Sec 17.08.570.

Accessory uses shall comply with all requirements for the principal use except where specifically modified by this title, and shall also comply with the following limitations:

- i. A greenhouse or hothouse may be maintained accessory to a dwelling only if there are no sales from the premises.
- ii. A guesthouse may be maintained in a residential district accessory to a dwelling provided such guesthouse is used for the occasional housing of guests of the occupants of the principal dwelling, and so long as such guesthouse is not used for commercial purposes and no charge is made for the use of such premises.

Surrounding community system development fee requirements are similar to Louisville. This information is summarized in the Table below:

Table 1 - Surrounding Community Comparison

		Table 1 – Surrounding	g Community Comparison	
Municipality	Category 1	Catego	ory 2 - Existing Structure	(s)/Buildings)
	Vacant Land	Scenario A Addition	Scenario B Stand alone	Accessory Building
Louisville	Tap Fees Required	Possible Expansion Charge	Required for each premised	Allowed-subject to "addition" requirements
Lafayette	Tap Fees Required	Possible Tap Fees	Building (independent structure standing alone)	Allowed-must be used by a single person or entity
Superior	Tap Fees Required	Possible Tap Fees	Required for each and every building	N/A
Boulder	Tap Fees Required	Possible Tap Fees	Required for each structure	Allowed-cannot contain a toilet or bathtub/shower
Erie	Tap Fees Required	Possible Tap Fees	Required for each unit	N/A

The existing City code is consistent with surrounding communities. While no system is perfect, there are occasions when a small percentage of proposed developments do not have as clear of a determination. City Staff need clarity from applicants to be able to provide accurate tap fee determinations. Staff has observed applicants that will purposely provide vague plans that are misleading or change terminology between plan set submittals that impact previous tap fee determinations. This makes clearly determining tap fees challenging.

Staff is not aware of any ongoing or consistent problems related to tap fee determinations.

Non-Utility Related Citywide Initiatives

The City operates and maintains a Water, Wastewater, and Stormwater Utility. The Utility as an Enterprise Fund is required by law to only charge for those services or programs that are directly related to the service being provided. Due to these requirements the Utility may not subsidize goals or programs such as Economic Development or Historical Preservation.

There are existing programs within the City that can provide assistance to an applicant. These programs include the Business Assistance Program (BAP) and the Historical Preservation Program (HPP).

Business Assistance Program

A commercial business may apply for a BAP to offset other City costs. BAP's provide aid to companies looking to locate to the City in support of the overall economic development objectives. While tap fees are not considered specific criteria for a BAP, the surrounding circumstance or situation could be sufficient to qualify for the program.

Historical Preservation Program

Old Town and Downtown property owners are eligible for financial assistance for the voluntary preservation, restoration or rehabilitation of historical structures through the HPP. One of the goals of this financial assistance is to directly cover the added costs, both construction and otherwise, associated with preserving historical structures.

In a letter dated July 17, 2017, the Historical Preservation Commission (HPC) has further recommended that funds be made available to specifically cover the cost of tap fees for separate commercial buildings on a landmarked site. HPC further recommend that tap fees be waived for new residential buildings that are separated from existing historical structure. Staff are unable to agree with the waiving of tap fees for units that cannot be categorized within the accessory use.

The major advantage of both of these financial options is maintaining the integrity of the Utility Enterprise funds. The Enterprise funds were established to conduct water and wastewater activities including the diversion, storage, carriage, delivery, distribution, collection, treatment, use, reuse augmentation, exchange, discharge and acquisition. The ability to justify subsidizing non-utility activities is difficult and can present significant legal challenges. As a result the City has sustained the position that waiving of tap fees for goals unrelated to utility service is not a defensible use of enterprise funds.

It is the conclusion of Staff that the existing City code is adequately designed to provide the necessary direction in determining the required utility connection charges and does not require modifications. Staff will continue to have an open and transparent dialog with all proposed applicants and provide all options available through the planning and building review processes. Staff recommends no changes and to continue the current practice of assessment tap fees as historically has been done.





July 17, 2017

Dear City Council,

The Historic Preservation Commission is obliged and privileged to bring an issue to light in hopes that Council may find a reasonable solution.

It has been brought to our attention that the Tap Fees associated with new construction of auxiliary buildings is serving as a disincentive for owners and builders to act in the most historically sensitive way.

When a builder, architect or owner are designing new construction, the decision of whether to connect a new structure or separate it entirely can hinge on the rather expensive tap fee that is charged for an auxiliary building. Often, creative designs are implemented to connect garages or in-law suites, and the additional plumbing, to the original structure to avoid this extra cost. When builders do this, the City does not charge a tap fee. However, when it comes to preserving historical structures, it is preferred that builders leave the original structure unchanged and add a separate building.

One case in point is the Louisville Center for the Arts building and the adjoining Memory Square pool house. Connecting the two buildings had a detrimental effect on the North wall of the historic building. In the future, we would like to make sure that any owner of a landmarked building is not encouraged to make this decision just to save money on tap fees.

After meeting with the Public Works Department for the City of Louisville, we understand that there are real costs to the City regarding water treatment and other overhead costs to serve the entire City. The main argument that was made in our discussion was that once the tap is provided to the new building, there is no way to control future decisions that might increase water usage and strain the resources of the utility. At least, there is no way to retroactively charge a tap fee at the later date.

In the case of commercial buildings, you can imagine an office building with one or two bathrooms being converted into a restaurant with a full kitchen or a small brewery with massive usage.

However, in the case of residential, we don't see the same risk of having an auxiliary building on a residential lot consuming extraordinary resources.

The main argument that we would like the Council to hear is that we don't believe a change or exemption for residential construction would reduce income for the City. Currently, builders design structures to avoid the tap fee and no income is realized. We would like them to build more sensitively and still avoid the fee. This benefits historic preservation without affecting City funds.

HPC Recommendations

Residential Properties

The Historic Preservation Commission recommends that any additional tap fee or increase in tap fee be waived for new residential buildings on a landmarked residential site that are separated from the existing historical structures.



Commercial Properties

The Historic Preservation Commission recommends that an additional \$25,000 of grant money from the Historic Preservation Fund be made available for the specific use of paying tap fees for separate commercial buildings on a landmarked site. This grant money would be paid from the Historic Preservation Fund in addition to the maximum grant amounts described in Resolution No. 2, Series 2012.

The HPC believes that it is in the interest of City Council to provide an exemption for landmarked buildings to incentivize owners to keep historic structures intact.

Regards,

Historic Preservation Commission



UTILITY COMMITTEE COMMUNICATION

SUBJECT: POWERLINE UNDERGROUNDING FUND

DATE: OCTOBER 27, 2017

PRESENTED BY: EMILY KROPF, ASSISTANT TO THE CITY MANAGER

SUMMARY:

The City's franchise agreement with Xcel requires the company to budget and allocate 1% of the preceding year's electric gross revenues for Louisville to bury existing overhead facilities underground. To use the 1% fund, City staff must select projects with distribution or feeder utility lines that are located in the right-of-way and at least 750 feet in length. Additional equipment like transformers cannot be buried as that technology does not exist. Staff is looking for comments on the following:

- Does the Utility Committee recommend investing any funds outside of the 1% fund for undergrounding during the 2019/2020 budget process?
- If not should staff use the 1% fund for projects that do not require additional City funds or should the City continue to grow the 1% fund and use it for future capital projects?

Background

The City currently has \$1,765,330 in the 1% fund and can borrow ahead for three years for another \$990,444, resulting in a total of \$2,755,774. Staff recommends maintaining a minimum balance of \$500,000 to use in conjunction with future capital projects (i.e. traffic signals on State Highway 42), resulting in a total amount available of \$2,255,774.

In March 2017, the Utility Committee reviewed the list of potential projects and directed staff to explore which projects would improve service reliability and public safety. Xcel provided a letter recommending three projects that could improve service reliability:

Location	Utilities (Linear Feet)	Cost
West of SH 42 & west on Griffith	1,700 Xcel distribution	\$340,000-\$510,000 Xcel 1% fund
	1,700 CenturyLink	\$85,000-\$170,000 additional City
		funds
Spruce & north in alley between	3,900 Xcel distribution	\$780,000-\$1,170,000 Xcel 1% fund
Lincoln & Garfield	3,900 CenturyLink	\$195,000-\$390,000 additional City
		funds
Alley adjacent to Community Park &	2,000 Xcel distribution	\$400,000-\$600,000 Xcel 1% fund
north on Roosevelt to Pine	2,000 CenturyLink	\$100,000-\$200,000 additional City
		funds

The remaining projects have been prioritized based on the type of benefit that would result from undergrounding (public safety, aesthetics, etc.). Some projects also include

SUBJECT: POWERLINE UNDERGROUNDING FUND

DATE: OCTOBER 27, 2017 PAGE 2 OF 2

the additional cost to bury CenturyLink's utility lines (approx. \$50 to \$100 per linear foot) that would be forced to go underground at the City's cost.

FISCAL IMPACT

Dependent on projects selected for undergrounding, if any.

ATTACHMENT(S):

- 1. Xcel Letter
- 2. Overhead Map
- 3. Undergrounding Projects
- 4. March 31, 2017 Utility Committee Communication



July 5, 2017

Transmitted by email

2655 North 63rd St. Boulder, CO 80301

Emily Kropf Assistant to the City Manager City of Louisville

Re: Xcel Energy conversion of overhead facilities to underground

Dear Emily:

As requested, Xcel Energy is providing the following three recommendations for converting overhead power lines to underground as part of our Underground Conversion Fund commitment to the City of Louisville. The primary considerations for these recommendations relate to reliability and system resilience and do not necessarily address the city's goals for aesthetic improvements. Generally, undergrounding legacy overhead power lines will immediately increase the reliability of that circuit, both because it is brand new material, and because the lines will no longer be subject to the hazards associated with overhead construction, namely trees, animals and weather.

But, additionally, we expect to realize significant improvements to service due to the increased capacity of the new power lines. In a sense, these "larger" lines would permit more energy to be carried so that, during outages, our personnel would have greater flexibility in switching around power interruptions, thereby restoring power to customers more quickly.

Recommendations:

- 1. Bury the line on the west side of Hwy 42 and going west on Griffin St. to tie to the new underground lines serving the new development north of Miners Field
- 2. Bury line on Spruce St. going west and then the line going north in the alley between Lincoln and Garfield
- 3. Bury the alley adjacent to Community Park and the line going north on Roosevelt up to the underground near Pine St.

Finally, we have updated Louisville's Underground Conversion Fund as of the end of Q1, 2017. The amounts are as follows:

Funds accrued: \$1,765,330

Three-year borrow-ahead: \$990,444

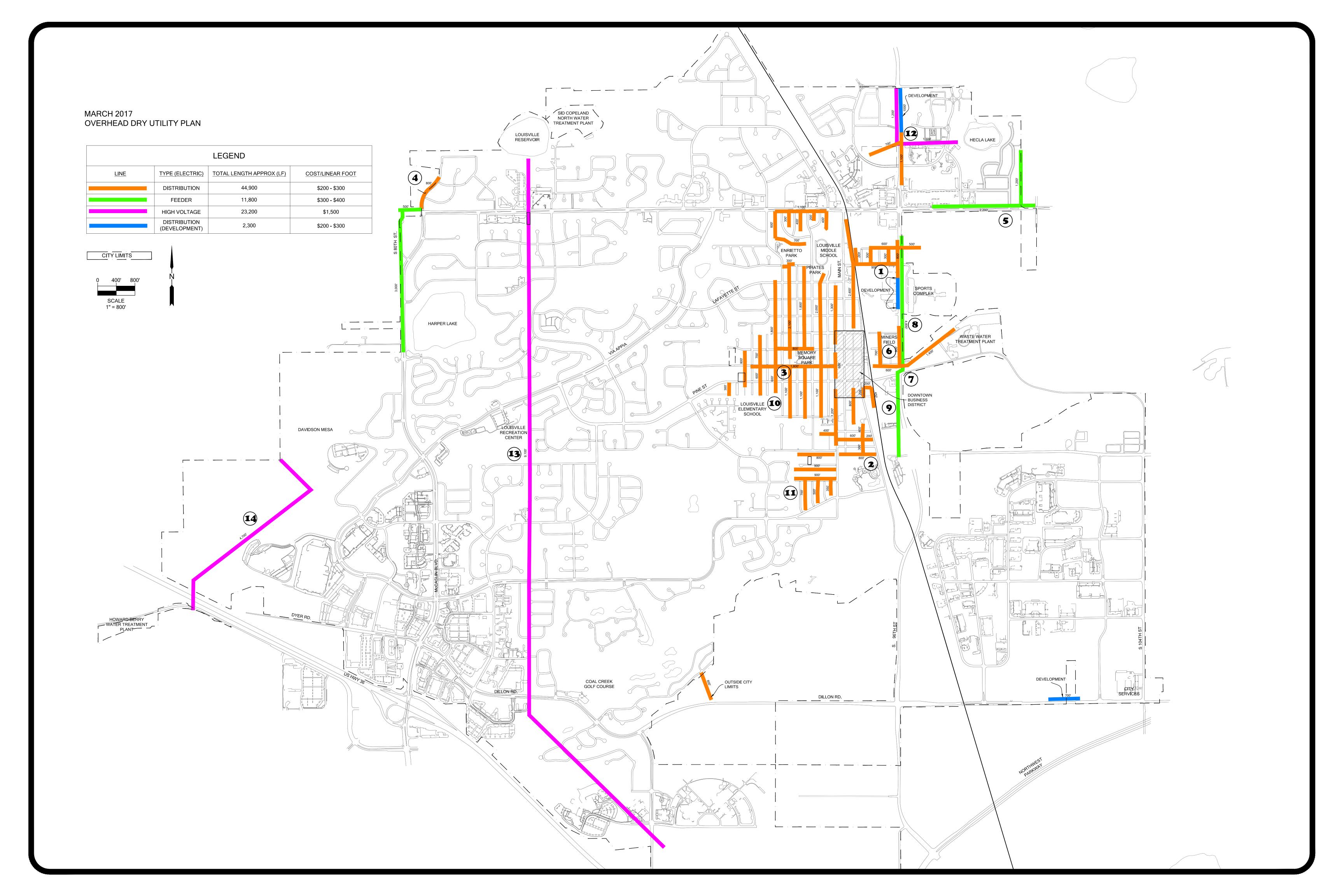
Total available: \$2,755,774

I hope this information helps the city determine its strategy for power line conversion. As always, we remain very eager to help Louisville make these decisions and look forward to working with you.

Sincerely,

Area Manager

craig.l.eicher@xcelenergy.com



Potential Undergrounding Projects 7/10/17

#	Location	Benefit	Utilities (Linear Feet)	Cost
1	West of SH 42 & west on Griffith	Service reliability	1,700 Xcel distribution 1,700 CenturyLink	\$340,000-\$510,000 Xcel 1% fund \$85,000-\$170,000 additional City funds
2	Alley adjacent to Community Park & north on Roosevelt to Pine	Service reliability	2,000 Xcel distribution 2,000 CenturyLink	\$400,000-\$600,000 Xcel 1% fund \$100,000-\$200,000 additional City funds
3	Spruce St & north in alley between Lincoln & Garfield	Service reliability	3,900 Xcel distribution 3,900 CenturyLink	\$780,000-\$1,170,000 Xcel 1% fund \$195,000-\$390,000 additional City funds
4	McCaslin Blvd, north of Washington, west side	Public safety (arterial road) Aesthetics (open space)	3,000 Xcel feeder 800 Xcel distribution 800 CenturyLink	\$900,000-\$1,200,000 Xcel 1% fund \$160,000-\$240,000 Xcel 1% fund \$40,000-\$80,000 additional City funds
5	S Boulder Rd	Public safety (arterial road) No additional City cost	3,400 Xcel feeder	\$1,020,000-\$1,360,000 Xcel 1% fund
6	SH 42, Pine to Miners Field, west side	Public safety (arterial road)	900 Xcel distribution 900 CenturyLink	\$180,000-\$270,000 Xcel 1% fund \$45,000-\$90,000 additional City funds
7	SH 42/Pine Intersection	Public safety (arterial road)	1,000 Xcel feeder 1,500 Xcel distribution 1,000 CenturyLink	\$300,000-\$400,000 Xcel 1% fund \$300,000-\$450,000 Xcel 1% fund \$50,000-\$100,000 additional City funds
8	SH 42, Cannon Cir to Pine, east side	Public safety (arterial road)	3,000 Xcel feeder 1,000 CenturyLink	\$900,000-\$1,200,000 Xcel 1% fund \$50,000-\$100,000 additional City funds
9	East St, Lock to Pine	Public safety (arterial road)	1,700 Xcel feeder 1,700 CenturyLink	\$510,000-\$680,000 Xcel 1% fund \$85,000-\$170,000 additional City funds
10	Downtown	Aesthetics (neighborhood/business district)	26,200 Xcel distribution 26,200 CenturyLink	\$5,240,000-\$7,860,000 Xcel 1% fund \$1,310,000-\$2,620,000 additional City funds

Potential Undergrounding Projects 7/10/17

11	Lois Dr/Aline St/Barbara St/Rose St	Aesthetics (neighborhood)	2,400 Xcel distribution 2,400 CenturyLink	\$480,000-\$720,000 Xcel 1% fund \$120,000-\$240,000 additional City funds
12	SH 42, Hecla Way to Baseline, both sides	Public safety (arterial road)	1,800 Xcel distribution 2,500 Xcel high voltage	\$360,000-\$540,000 Xcel 1% fund \$3,750,000 additional City funds
13	Power Line Trail	Aesthetics (City-wide)	9,000 Xcel high voltage	\$13,500,000 additional City funds
14	Davidson Mesa	Aesthetics (open space)	4,700 Xcel high voltage	\$7,050,000 additional City funds



UTILITY COMMITTEE COMMUNICATION

SUBJECT: POWERLINE UNDERGROUNDING FUND

DATE: MARCH 31, 2017

PRESENTED BY: EMILY KROPF, ASSISTANT TO THE CITY MANAGER

SUMMARY:

The City's franchise agreement with Xcel requires the company to budget and allocate 1% of the preceding year's electric gross revenues for Louisville to bury existing overhead facilities underground. To use the 1% fund, City staff must select projects that are located in the right-of-way and at least 750 feet in length. Staff is looking for comments on the following issues:

- Which projects, if any, should staff direct Xcel to start the design process for at this time?
- Should the City consider during the biennial budget process investing any funding outside of the 1% fund for undergrounding? The additional cost to bury CenturyLink's lines have not been included in the City's five-year Capital Improvement Plan.

Background

There are several factors to consider when prioritizing projects. First, it can be difficult to identify a specific cost for undergrounding as some projects are more expensive than others due to various challenges (i.e. type of infrastructure, geographic location, other utility lines). Second, a power line that has private services lines connected to it for residences or commercial properties may not result in a significantly improved appearance as the poles that connect the private services lines would remain unless the City picked up the additional cost to bury those lines. Third, undergrounding may not result in more consistent service. Xcel has found that burying utility lines does not necessarily improve service reliability as the majority of issues that result in outages involve other unexpected issues like animal interference or equipment failure.

Staff has previously used the Xcel 1% fund to bury overhead lines in the downtown business district when we could cost-effectively do so as part of construction activity immediately adjacent to the overhead lines and to avoid undergrounding work at a later date that would damage recently installed asphalt and concrete work (the "dig once" approach). The current balance of the fund is \$1,574,940. Xcel allows for a 3-year borrow ahead, which adds another \$800,000 to the fund, resulting in a total of about \$2,375,000. Staff recommends maintaining a minimum balance of \$500,000 to use in conjunction with future capital projects (i.e. traffic signals on State Highway 42). Therefore, the total amount available is about \$1,875,000.

SUBJECT: POWERLINE UNDERGROUNDING FUND

DATE: MARCH 31, 2017 PAGE 2 OF 3

The City currently has approximately 80,000 feet of overhead utility lines that are located in the right-of-way. There are three types of utility lines owned by Xcel: distribution (low power lines servicing residential or commercial properties – 45,000 feet), feeder (medium power lines with three to eight large conductors – 12,000 feet), and transmission (high power steel poles with main lines – 23,000 feet). There is an additional 2,000 feet of lines the City will ask private developers to bury at their cost.

Xcel provided a general estimate of \$150 per linear foot to bury distribution lines, \$250 per foot for feeder lines, and \$1,500 per foot for transmission lines. Based on recent work, City staff finds the cost to bury distribution lines is closer to \$280 per linear foot. A conservative price range to bury distribution lines is \$200 to \$300 per linear foot and \$300 to \$400 per foot for feeder lines. For example, the cost to bury 1,000 feet (roughly three blocks, the distance from South Street to Pine Street) would range from \$200,000 to \$300,000 for distribution lines and \$300,000 to \$400,000 for feeder lines.

This does not include the additional cost to bury other utility lines that would be forced to go underground, as well. The City's franchise agreement with Comcast states that the company is responsible for placing its lines underground if electric, telephone, and other above-ground utilities are buried at no expense to the City. However, the City does not have a franchise agreement with CenturyLink because telecommunications companies do not require additional authorization or franchise by any municipality to access the right-of-way unless they are providing cable service. Consequently, the City would be responsible for paying the cost to bury CenturyLink's utility lines.

The cost to place CenturyLink's lines underground at the same time as Xcel's in a joint trench is less expensive. Based on recent work, staff estimates the cost to bury CenturyLink's lines ranges from \$50 to \$100 per linear foot. However, the City cannot use the 1% fund to bury these lines as it can only be used for infrastructure owned by Xcel. Consequently, in addition to the undergrounding costs eligible for the Xcel funds, the additional cost to bury 1,000 feet of CenturyLink's lines would range from \$50,000 to \$100,000, which the City would have to pay.

Below is a table of potential projects that the City can pursue:

#	Location	Utilities (Linear Feet)	Cost
1	SH 42, Cannon Cir to	1,700 Xcel distribution	\$340,000-\$510,000 Xcel 1% fund
	Pine, west side	1,700 CenturyLink	\$85,000-\$170,000 City funds
2	Rex St/Roosevelt Ave (could improve reliability through circuit upgrade)	2,000 Xcel distribution 2,000 CenturyLink	\$400,000-\$600,000 Xcel 1% fund \$100,000-\$200,000 City funds
3	East St, Lock to Pine	1,700 Xcel feeder 1,700 CenturyLink	\$510,000-\$680,000 Xcel 1% fund \$85,000-\$170,000 City funds

UTILITY COMMITTEE COMMUNICATION

SUBJECT: POWERLINE UNDERGROUNDING FUND

DATE: MARCH 31, 2017 PAGE 3 OF 3

4	Lois Dr/Aline St/Barbara	2,400 Xcel distribution	\$480,000-\$720,000 Xcel 1% fund
	St/Rose St	2,400 CenturyLink	\$120,000-\$240,000 City funds
5	SH 42/Pine Intersection	1,000 Xcel feeder	\$300,000-\$400,000 Xcel 1% fund
		1,500 Xcel distribution 1,000 CenturyLink	\$300,000-\$450,000 Xcel 1% fund \$50,000-\$100,000 City funds
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6	SH 42, Cannon Cir to	3,000 Xcel feeder	\$900,000-\$1,200,000 Xcel 1% fund
	Pine, east side	1,000 CenturyLink	\$50,000-\$100,000 City funds
7	S Boulder Rd	3,400 Xcel feeder	\$1,020,000-\$1,360,000 Xcel 1% fund
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8	McCaslin Blvd, north of Washington, west side	3,000 Xcel feeder 800 Xcel distribution	\$900,000-\$1,200,000 Xcel 1% fund \$160,000-\$240,000 Xcel 1% fund
	Washington, West side	800 CenturyLink	\$40,000-\$80,000 City funds
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9	SH 42, Hecla Way to	1,800 Xcel distribution	\$360,000-\$540,000 Xcel 1% fund
	Baseline, both sides	2,500 Xcel high voltage	\$3,750,000 Xcel 1% fund
10	Downtown	33,000 Xcel distribution	\$6,600,000-\$9,900,000 Xcel 1% fund
		33,000 CenturyLink	\$1,650,000-\$3,300,000 City funds
11	Davidson Mesa	4 700 Yeal high voltage	\$7,050,000 Yeal 19/ fund
''	Daviusuri wesa	4,700 Xcel high voltage	\$7,050,000 Xcel 1% fund
12	Power Line Trail	9,000 Xcel high voltage	\$13,500,000 Xcel 1% fund

FISCAL IMPACT

Dependent on projects selected for undergrounding.

ATTACHMENT(S):

- 1. Xcel Franchise Agreement
- 2. Overhead Map
- 3. Comcast Franchise Agreement

Utility Committee Advanced Agenda				
DATE	ISSUE			
2017				
10/27	Today			
12/18 SM	Special Meeting: Joint Finance & Utility Committee to discuss utility rates.			
2018				
1/12	CIP Update Final Rates			
3/9	CIP Update Water Supply Update			
5/11	CIP Update Water Supply Update Water Engineering Update Trash			
7/13	CIP Update Preliminary Rates Trash			
9/14	CIP Update Draft Rates			
11/9	CIP Update			